

FY2015 Department of Housing and Urban Development Appropriations: Fact Sheet

Updated December 19, 2014

Congressional Research Service

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R43578

Funding for the Department of Housing and Urban Development (HUD) is provided as part of the Departments of Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriations acts.

HUD's programs are primarily designed to address housing problems faced by households with very low incomes or other special housing needs. Three rental assistance programs—Public Housing, Section 8 tenant-based rental assistance (which funds Section 8 Housing Choice vouchers), and Section 8 project-based rental assistance—account for the majority of the department's funding (more than three-quarters of total HUD appropriations in FY2015). Two flexible block grant programs—HOME and the Community Development Block Grant (CDBG) program—help communities finance a variety of housing and community development activities designed to serve low- and moderate-income families. Other more specialized grant programs help communities meet the needs of homeless persons, including those living with HIV/AIDS.

In addition, HUD's Federal Housing Administration (FHA) insures mortgages made by lenders to home buyers with low down payments and to developers of multifamily rental buildings containing relatively affordable units. FHA collects fees from insured borrowers, which are used to sustain the insurance fund. Surplus FHA funds are used to offset the cost of the HUD budget.

On December 16, 2014, the President signed the FY2015 Consolidated and Further Continuing Appropriations Act (P.L. 113-235), funding most federal agencies, including HUD. The House passed the bill on December 11, 2014, and the Senate passed it on December 13, 2014. Prior to enactment of P.L. 113-235 the government had been funded with three continuing resolutions. The law provides a total of \$45.4 billion in gross discretionary appropriations for HUD, not accounting for savings from offsets and other sources. This is about \$90 million less than was provided for HUD in FY2014. After rescissions and offsets from receipts and collections, including FHA, net budget authority is \$35.6 billion in FY2015 compared to \$32.8 billion in FY2014, an increase of \$2.8 billion. The increase is largely due to decreased FHA receipts in FY2015.

Prior to enactment of P.L. 113-235, the President's FY2015 budget requested \$46.7 billion in gross discretionary appropriations for HUD, with net budget authority of \$36.9 billion. The House-passed bill (H.R. 4745) would have provided \$44.7 billion in gross budget authority, and approximately \$35.0 billion after accounting for rescissions, offsetting receipts, and offsetting collections. The Senate Appropriations Committee version of the FY2015 THUD appropriations bill (S. 2438) would have provided \$1 billion more than the House-passed version, with \$45.8 billion in gross budget authority and \$36.0 billion after accounting for rescissions and offsets.

Table 1 shows account-level funding information for HUD, with column (a) showing FY2014 enacted funding levels, column (b) the President's FY2015 proposal, column (c) the funding levels in the House-passed FY2015 THUD appropriations bill (H.R. 4745), column (d) the funding levels in the Senate Appropriations Committee-passed FY2015 THUD appropriations bill (S. 2438), and column (e) the amounts enacted in the FY2015 Consolidated and Further Continuing Appropriations Act (P.L. 113-235).

Table 1. HUD FY2015 Detailed Budget Table

(In billions of dollars)

Accounts	FY2014 Enacted (P.L. 113-76) (a)	FY2015 Request (b)	FY2015 House- Passed (H.R. 4745) (c)	FY2015 Senate Committee e-Reported (S. 2438) (d)	FY2015 Enacted (P.L. 113- 235) (e)
Appropriations					
Management and Administration	1.307	1.366	1.279	1.329	1.314
Tenant-Based Rental Assistance (Sec. 8 vouchers) ^a	19.177	20.045	19.357	19.562	19.304
Rental Assistance Demonstration	0.000	0.010	0.000	0.010	0.000 ^b
Public housing capital fund	1.875	1.925	1.775	1.900	1.875
Public housing operating fund	4.400	4.600	4.400	4.475	4.440
Choice Neighborhoods	0.090	0.120	0.025	0.090	0.080
Family Self Sufficiency	0.075	0.075	0.075	0.075	0.075
Native American housing block grants	0.650	0.650	0.650	0.650	0.650
Indian housing loan guarantee	0.006	0.008	0.008	0.006	0.007
Native Hawaiian block grant	0.010	0.013	0.000	0.010	0.009
Native Hawaiian loan guarantee	0.000 ^c	0.000 ^d	0.000 ^d	0.000 ^c	0.000 ^c
Housing, persons with AIDS (HOPWA)	0.330	0.332	0.306	0.330	0.330
Community Development Fund (Including CDBG)	3.100	2.870	3.060	3.090	3.066
Sec. 108 loan guarantee; subsidy	0.003	0.000 ^e	0.000 ^e	0.000 ^e	0.000 ^e
Capacity Building	0.000 ^f	0.020	0.040	0.000 ^f	0.000 ^f
HOME Investment Partnerships	1.000	0.950 ^g	0.700 ^g	0.950	0.900
Self-Help Homeownership	0.050 ^f	0.000 ^g	0.000 ^g	0.050 ^f	0.050 ^f
Homeless Assistance Grants	2.105	2.406	2.105	2.145	2.135
Project-Based Rental Assistance (Sec. 8) ^h	9.917	9.746	9.746	9.746	9.730
Housing for the Elderly	0.384	0.440	0.420	0.420	0.420
Housing for Persons with Disabilities	0.126	0.160	0.135	0.135	0.135
Housing Counseling Assistance ⁱ	0.045	0.060	0.047	0.049	0.047

Accounts	FY2014 Enacted (P.L. 113-76) (a)	FY2015 Request (b)	FY2015 House- Passed (H.R. 4745) (c)	FY2015 Senate Committee- Reported (S. 2438) (d)	FY2015 Enacted (P.L. 113- 235) (e)
Manufactured Housing Fees Trust Fund ⁱ	0.008	0.010	0.010	0.010	0.010
Rental Housing Assistance, ^{jk}	0.021	0.028	0.028	0.028	0.018
FHA Expenses	0.127	0.170 ^l	0.130 ^l	0.145 ^l	0.130 ^l
FHA-HAWK Pilot ^m	N/A	0.010	0.000	0.000	0.000
GNMA Expenses	0.021	0.029	0.022	0.025	0.024
Research and technology	0.046	0.050	0.040	0.046	0.072
Fair housing activities	0.066	0.071	0.056 ⁿ	0.066	0.065
Office, lead hazard control	0.110	0.120	0.070	0.110	0.110
Information Technology Fund ^o	0.250	0.272	0.087 ^{n,p}	0.250	0.250
Inspector General	0.125	0.129	0.125	0.129	0.126
Transformation Initiative	0.040	0.000 ^q	0.000	0.000 ^q	0.000
<i>Appropriations Subtotal (Including advances provided in current year for subsequent year)</i>	45.462	46.685	44.695	45.831	45.373
Rescissions					
Drug elimination grants rescission	0.000	0.000	0.000	-0.001	-0.001
Rural housing and economic development rescission	0.000	0.000	0.000	-0.002	0.000
Youth Build rescission	0.000	0.000	0.000	0.000 ^r	0.000 ^r
Rental housing assistance rescission	-0.004	0.000	0.000	0.000	0.000
Section 108 rescission	0.000	0.000	-0.003	0.000	0.000
Brownfields rescission	0.000	0.000	-0.003	-0.003	-0.003
FHA GI/SRI credit subsidy rescission	0.000	0.000	0.000	-0.010	-0.010
<i>Rescissions Subtotal</i>	-0.004	0.000	-0.006	-0.017	-0.014
Offsetting Collections and Receipts					
Manufactured Housing Fees Trust Fund ^s	-0.007	-0.010	-0.010	-0.010	-0.010
Federal Housing Administration (FHA) ^t	-11.824	-8.895 ^l	-8.863 ^l	-8.895 ^l	-8.863 ^l
GNMA	-0.819	-0.864	-0.864	-0.864	-0.864
<i>Offsets Subtotal</i>	-12.650	-9.769	-9.737	-9.769	-9.737

Accounts	FY2014 Enacted (P.L. 113-76) (a)	FY2015 Request (b)	FY2015 House- Passed (H.R. 4745) (c)	FY2015 Senate Committee- Reported (S. 2438) (d)	FY2015 Enacted (P.L. 113- 235) (e)
Total Budget Authority Provided	32.809	36.916	34.952	36.046	35.621

Sources: Table prepared by CRS based on P.L. 113-76 and the Joint Explanatory Statement accompanying P.L. 113-76 (FY2014 enacted); the President's FY2015 budget documents, including HUD Congressional Budget Justifications (FY2015-requested levels); H.R. 4745 as amended on the House floor and H.Rept. 113-464 (House-passed levels); S.Rept. 113-182 (Senate Committee-passed levels); and the FY2015 Consolidated and Continuing Appropriations Act (P.L. 113-235), House Rules Committee Print 113-59, and the Explanatory Statement, *Congressional Record*, vol. 160, part 151—Book II (December 11, 2014), pp. H9981-H9984 (FY2015 enacted levels).

- a. The Section 8 tenant-based rental assistance account includes both current-year and advance appropriations. Typically, Congress appropriates about \$4 billion for tenant-based rental assistance for the subsequent fiscal year in addition to funds for the current year.
- b. While no funding was provided for the Rental Assistance Demonstration, the law did raise the cap on the number of units that can participate in the demonstration from 60,000 to 185,000 and made several other changes. See Section 234 of HUD General Provisions in P.L. 113-235.
- c. Provides \$100,000 for the Native Hawaiian loan guarantee (rounding to less than \$1 million).
- d. The President's budget request included no new funding for the Native Hawaiian loan guarantee in FY2015, noting that carryover balances provide sufficient funds to administer this program in FY2015. The House-passed bill also included no new funding for the program.
- e. In FY2014, Congress enacted a fee structure for the Section 108 program. No credit subsidy was requested in FY2015.
- f. \$40 million for Capacity Building is included in the SHOP account.
- g. The President's budget request and the House-passed version of H.R. 4745 both included up to \$10 million in funding for the Self-Help Homeownership Opportunity Program (SHOP) as a set-aside in the HOME account rather than continuing to fund SHOP in its own account.
- h. The Section 8 project-based rental assistance account includes both current-year and advance appropriations. Typically, Congress appropriates about \$400 million for project-based rental assistance for the subsequent fiscal year in addition to funds for the current year.
- i. In addition to HUD's housing counseling assistance program, Congress in recent years has provided funding specifically for foreclosure mitigation counseling to the National Foreclosure Mitigation Counseling Program (NFMCP), administered by the Neighborhood Reinvestment Corporation (also known as NeighborWorks America). NeighborWorks is not part of HUD, but is usually funded as a related agency in the annual HUD appropriations laws.
- j. Some or all of the cost of funding these accounts is offset by the collection of fees or other receipts, shown later in this table.
- k. The Rental Housing Assistance account is used to provide supplemental funding to some older HUD rent-assisted properties and, when funding is provided, it is typically offset by recaptures. Funding is not requested in this account every year.
- l. The President's budget requested authority to charge a new administrative support fee to lenders. The budget request anticipated that the fee would generate about \$30 million, which would have offset part of the cost of FHA's administrative expenses. The House-passed bill did not provide authority for FHA to charge the administrative support fee and did not reflect the additional \$30 million in offsets, while the Senate Appropriations Committee-reported bill did provide the requested authority and included the additional amount of offsets. The FY2015 enacted bill did not include the authority to charge fees.
- m. The President's budget included \$10 million for a new Homeowners Armed with Knowledge (HAWK) pilot program, which would encourage housing counseling for borrowers with FHA-insured mortgages. The House-passed bill prohibited any funds from being used to implement HAWK. The Senate Committee report was supportive of FHA-HAWK, but did not provide any separate funding for the initiative. The

- FY2015 enacted bill prohibited funds from being used for the HAWK program (see Section 235 of HUD General Provisions in P.L. 113-235).
- n. An amendment on the House floor increased the amount for the Fair Housing Initiatives Program by \$10 million, with an offset from the Information Technology Fund.
 - o. The Information Technology Fund was formerly called the Working Capital Fund.
 - p. The House Appropriations Committee Report (H.Rept. 113-464) proposed that HUD make up the difference for needed information technology funds by establishing a working capital fund, with each HUD office being charged for its support.
 - q. The President's budget request and Senate Appropriations Committee-passed bill proposed that the Transformation Initiative be funded by transfers from other HUD accounts.
 - r. Includes a rescission of \$460,000 from the Youth Build program (rounding to less than \$1 million) which was formerly funded in HUD's budget, but is now funded in the Department of Labor's budget.
 - s. Appropriations language specifies that the overall amount appropriated to the Manufactured Housing Fees Trust Fund is to be made available to HUD to incur obligations under this program pending the receipt of fee income. As fee income is received, the appropriation amount is reduced, so that the final appropriation coming from the general fund is less than the overall appropriated amount. HUD is directed to make changes to the fees it charges as necessary to ensure that the final fiscal year appropriation is no more than what is specified in the appropriations language. For FY2015, HUD expects a fee increase to result in offsetting fee collections that will be high enough to cover the entire \$10 million cost of the program.
 - t. Amounts shown here reflect the Congressional Budget Office's re-estimate of the President's budget request; therefore, the figure for the FY2015 budget request differs from what is shown in the President's budget documents. CBO's estimate of the offsetting receipts that would be generated by FHA's single-family mortgage insurance programs in FY2015 was \$4 billion lower than the amount estimated in the President's budget.

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